



IRISH LIFE WEEKLY INVESTMENT BULLETIN

The week that was – WEEK 12 (ending 18/03/2016)

"The best way to have a good idea is to have a lot of ideas." – Linus Pauling

Irish residential rents up 9.8% on the year – According to the latest quarterly figures from the Private Residential Tenancies Board (PRTB), rents increased nationally by 9.8% last year, still leaving rents 9% off their peak levels recorded in 2007. Rents grew by 9.0% in Dublin and by 9.9% outside the capital.

Irish construction activity hits record high – The headline construction PMI (Purchasing Managers' Index) was 68.8 in February, up from 63.6 in January. This is the fastest pace of monthly expansion in construction since the survey was introduced in June 2000. The PMI is seen as a key barometer for construction sector.

Fed leaves U.S. rates unchanged and signals slower pace of rises – The Federal Reserve held interest rates steady and scaled back its interest rate forecasts to two quarter-point rises this year because of the weak global economy. The dollar weakened to hit a five-month low against a basket of six major currencies.

Global stock markets up slightly during the week – Markets moved slightly higher during the week with the MSCI World Index up 0.4% from 14th March to 18th March, adding to the gains from the last number of weeks. The U.S. (S&P 500 TR) and U.K. (FTSE 100 TR) markets are now showing positive returns for 2016 ytd.

UK budget announces spending cuts – Britain's chancellor of the exchequer George Osborne outlined £3.5 billion in extra spending cuts by 2020 and forecasted a lower 2% growth in the economy in 2016 compared to the previously forecasted 2.4%. Corporation tax, capital gains tax and some personal taxes will be reduced.

Draghi calls on European leaders to make structural reforms – European Central Bank President Mario Draghi warned EU leaders that the central bank's monetary policies are not enough to fix the basic structural weaknesses of the eurozone's economy. "For that you need structural reforms ... and lower taxes," he said.

The Story of the week: A cat-owner from New Zealand has posted an apologetic note online after her pet cat went on a months-long crime spree, pinching a dozen pairs of men's underwear and around 60 socks. Brigit, a six-year-old tonkinese cat brought the clothes home to her owner Sarah Nathan who has gone public to notify the owners.

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Index Performances and Market Data*

Equity Markets % (in Local Currency)	2011	2012	2013	2014	2015	2016 YTD (to 18/03)
ISEQ Overall Return	2.6	20.5	35.8	16.8	33.6	-8.3
FTSE 100 TR	-2.2	10.0	18.7	0.7	-1.3	0.2
Euro Stoxx 50 TR	-14.1	18.1	21.5	4.0	6.4	-6.2
S&P 500 TR	2.1	16.0	32.4	13.7	1.4	0.8
Nasdaq Composite	-1.8	15.9	38.3	13.4	5.7	-4.2
Nikkei 225	-17.3	22.9	56.7	7.1	9.1	-12.1
MSCI Emerging Markets	-14.9	13.9	0.9	2.6	-8.0	2.2
MSCI World	-7.6	13.1	26.2	7.7	0.2	-2.6
Sovereign 10yr Bond Yields (%)	2011	2012	2013	2014	2015	2016 YTD
US	1.9	1.7	3.0	2.2	2.2	1.9
German	1.8	1.4	1.9	0.5	0.6	0.2
UK	2.0	1.9	3.0	1.9	1.9	1.5
Japan	1.0	0.7	0.7	0.3	0.2	-0.1
Ireland	8.4	4.5	3.4	1.3	1.1	0.8
Italy	7.1	4.6	4.1	2.1	1.6	1.3
Greece	31.7	12.7	8.2	9.6	7.9	8.3
Portugal	13.4	6.9	6.1	2.7	2.5	2.9
Spain	5.1	5.4	4.1	1.6	1.7	1.4
Central Bank Rates (%)	2011	2012	2013	2014	2015	2016 YTD
ECB	1	0.75	0.25	0.05	0.05	0.0
Bank of England	0.5	0.5	0.25	0.50	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.50	0.50
Foreign Exchange Rates	2011	2012	2013	2014	2015	2016 YTD
Euro/Dollar (€/\$)	1.30	1.31	1.37	1.21	1.09	1.13
Euro/Sterling (€/£)	0.83	0.81	0.83	0.78	0.75	0.78
Sterling/Dollar (£/\$)	1.55	1.61	1.65	1.56	1.46	1.44
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015
Ireland	-2.4	-2.4	3.1	12.7	40.1	25.0 (to end of Q4)
UK	14.5	8.1	2.7	10.7	17.8	13.8 (to end of Q4)
US	14.8	14.5	5.3	11.4	11.2	7.9 (to end of Q3)

*Past performance is not a reliable guide to future performance